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DEPARTMENT OF LIVESTOCK



MARC RACICOT, GOVERNOR

301 N ROBERTS ST - RM 236
PO BOX 202001
HELENA, MONTANA 59620-2001

STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

(406) 444-1432 FAX

BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: June 4, 1999
EFFECTIVE: July 1, 1999
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$13.81 /CWT

EFFECTIVE JULY 1, 1999:

The minimum price to pay milk producers, under ARM 32.24.301, is \$13.81 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of seventeen cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.70.

CLASS I BUTTERFAT PRICE PER POUND

\$1.70 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$13.30 /CWT

Average spray process dry milk solids

price per pound	=	\$1.03500
Multiplied by 8.2	x	8.2

\$8.48700

PLUS +

Last quote of the month for Grade AA butter
minus a differential of \$.0895

Multiplied by 4.2	x	4.2
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\$6.05010

LESS 8.5% (\$14.53710 X .085)

\$13.30145

STATE DOCUMENTS COLLECTION

\$8.48700

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1915 B. B. B. B.
HELENA, MONTANA

+ \$6.05010

\$14.53710

- \$1.23565

Rounded to the nearest whole cent

\$13.30 /hundredweight.

PLEASE RETURN

CLASS II BUTTERFAT PRICE PER POUND**\$1.60 /LB**

Butterfat differential	\$1.44050 X .111)	=	\$0.15990
Rounded to the nearest half cent		=	\$0.160

CLASS II VALUE OF ONE POUND OF SKIM**0.079792746 /LB**

Butterfat value per pound for milk at 3.5% test:	\$1.60		
Hundredweight price of milk testing 3.5%		=	\$13.30
LESS 3.5 pounds of butterfat at	\$1.60 per pound	-	\$5.600
Value of 96.5 pounds of skim		=	\$7.700
Value of one pound of skim	7.700 / 96.5 pounds)	=	\$0.07979 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$1.30 /LB**

Last quote of the month for Grade AA butter minus a difference of \$.0895	=	\$1.44050
LESS 10%	-	\$0.14405

\$1.29645

Rounded to the nearest whole cent \$1.30 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**7.04421 /CWT**

Avg. spray process dry milk solid price/lb	\$1.03500
Multiplied by 8.2	8.2

\$8.48700

LESS 17%	\$1.44279
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\$7.04421

Rounded to the nearest whole cent \$7.04 per hundredweight.

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$11.35 /CWT**

3.5 pounds of butterfat	\$1.30 per pound =	\$4.550
96.5 pounds of skim	\$0.07044 per pound =	\$6.797

\$11.347 /CWT**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by: Marilyn M. Koontz
 Marilyn M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.81 FOR 3.5% MILK 96.5 LBS = \$7.860		CLASS II SKIM PRICE BASED ON \$13.30 FOR 3.5% MILK 96.5 LBS = \$7.700		CLASS III SKIM PRICE BASED ON \$11.35 FOR 3.5% MILK 96.5 LBS = \$6.797	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.08062	2.50	\$0.07897	2.50	\$0.06972
2.55	\$0.08066	2.55	\$0.07901	2.55	\$0.06975
2.60	\$0.08070	2.60	\$0.07906	2.60	\$0.06979
2.65	\$0.08074	2.65	\$0.07910	2.65	\$0.06982
2.70	\$0.08078	2.70	\$0.07914	2.70	\$0.06986
2.75	\$0.08082	2.75	\$0.07918	2.75	\$0.06990
2.80	\$0.08086	2.80	\$0.07922	2.80	\$0.06993
2.85	\$0.08091	2.85	\$0.07926	2.85	\$0.06997
2.90	\$0.08095	2.90	\$0.07930	2.90	\$0.07000
2.95	\$0.08099	2.95	\$0.07934	2.95	\$0.07004
3.00	\$0.08103	3.00	\$0.07938	3.00	\$0.07008
3.05	\$0.08107	3.05	\$0.07942	3.05	\$0.07011
3.10	\$0.08111	3.10	\$0.07946	3.10	\$0.07015
3.15	\$0.08116	3.15	\$0.07950	3.15	\$0.07019
3.20	\$0.08120	3.20	\$0.07955	3.20	\$0.07022
3.25	\$0.08124	3.25	\$0.07959	3.25	\$0.07026
3.30	\$0.08128	3.30	\$0.07963	3.30	\$0.07029
3.35	\$0.08132	3.35	\$0.07967	3.35	\$0.07033
3.40	\$0.08137	3.40	\$0.07971	3.40	\$0.07037
3.45	\$0.08141	3.45	\$0.07975	3.45	\$0.07040
3.50	\$0.08145	3.50	\$0.07979	3.50	\$0.07044
3.55	\$0.08149	3.55	\$0.07983	3.55	\$0.07048
3.60	\$0.08154	3.60	\$0.07988	3.60	\$0.07051
3.65	\$0.08158	3.65	\$0.07992	3.65	\$0.07055
3.70	\$0.08162	3.70	\$0.07996	3.70	\$0.07059
3.75	\$0.08166	3.75	\$0.08000	3.75	\$0.07062
3.80	\$0.08170	3.80	\$0.08004	3.80	\$0.07066
3.85	\$0.08175	3.85	\$0.08008	3.85	\$0.07070
3.90	\$0.08179	3.90	\$0.08012	3.90	\$0.07073
3.95	\$0.08183	3.95	\$0.08017	3.95	\$0.07077
4.00	\$0.08188	4.00	\$0.08021	4.00	\$0.07081
4.05	\$0.08192	4.05	\$0.08025	4.05	\$0.07084
4.10	\$0.08196	4.10	\$0.08029	4.10	\$0.07088
4.15	\$0.08200	4.15	\$0.08033	4.15	\$0.07092
4.20	\$0.08205	4.20	\$0.08038	4.20	\$0.07095
4.25	\$0.08209	4.25	\$0.08042	4.25	\$0.07099
4.30	\$0.08213	4.30	\$0.08046	4.30	\$0.07103
4.35	\$0.08217	4.35	\$0.08050	4.35	\$0.07107
4.40	\$0.08222	4.40	\$0.08054	4.40	\$0.07110
4.45	\$0.08226	4.45	\$0.08059	4.45	\$0.07114
4.50	\$0.08230	4.50	\$0.08063	4.50	\$0.07118

PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1998 and 1999

Statistics from the Montana Milk Control Bureau

Month	1998	1999	Difference	% Change
January	\$15.51	\$19.39	\$3.88	25.02%
February	\$15.84	\$19.89	\$4.05	25.57%
March	\$15.80	\$18.82	\$3.02	19.11%
April	\$15.87	\$12.82	(\$3.05)	-19.22%
May	\$15.36	\$14.17	(\$1.19)	-7.75%
June	\$14.56	\$14.36	(\$0.20)	-1.37%
July	\$13.43	\$13.81	\$0.38	2.83%
August	\$15.65			
September	\$17.32			
October	\$17.54			
November	\$17.65			
December	\$18.59			
Average	\$16.09	\$16.18	\$0.98	6.31%

Prices are per hundredweight (CWT).

